Dear Partner:

Thanks again for participating in our first Partnering for Innovative Efficiencies meeting held last August. Together we identified obstacles we face in delivering a world-class transportation experience. Since then, we've been working hard to turn your input and ideas into action. This newsletter will bring you up to date on what we've been doing to provide projects better, faster and cheaper. Again, thank you for your help in improving Missouri's transportation system. I look forward to our continued partnership.







Action Teams Work To Address Key Issues

Four action teams of our transportation partners are addressing the key issues that surfaced during the first Partnering for Innovative Efficiencies meeting in August. They are:

- Completing Projects Earlier by implementing innovative methods and incentives
- Using Best Practices to build from Practical Design and Value Engineering
- Using Alternative Project Delivery more often in design and construction
- ► Recruiting and Retaining Qualified MoDOT Staff to increase efficiency and productivity

Here's a summary for each team, but if you'd like to know more about any of these teams visit our website at www.modot.org/pie

Completing Projects Earlier

This partnering team has agreed on several new and practical ways to speed up project completion. You'll feel our progress through:

- Shorter time periods to award projects by moving the letting date closer to the monthly Missouri Highways and Transportation Commission meeting (Implemented Feb. 1)
- More flexible work zone operating hours (Implemented Feb. 1)
- More frequent road closings (Implemented Feb. 1)
- Incentive/disincentive proposals for earlier completion of projects (Effective immediately)

Using Best Practices

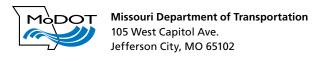
Our partners have identified many ways to build upon the success of Practical Design and Value Engineering. The results are:

- More flexible hydrological design standards (Implemented Jan. 1)
- Access to MoDOT's engineering policy on the Web for discussing and sharing best practices (Effective over the course of this year)
- Designs to meet only the purpose and need of a project no more and no less (Implemented Jan. 1)
- Design-Build for smaller projects based on the results from our two pilot projects (Pilot projects are ongoing)
- Public-private partnerships that allow private entities to invest money in public infrastructure (Seeking legislative approval by the end of the 2006 session)
- More innovation even at a higher initial cost if it improves the bottom line (Effective over the course of this year)
- Evaluations for consultants on their success in designing practical projects and creating incentive plans to ensure timely delivery and accurate estimates (Effective immediately)
- Aggressive pursuit of property damage claims when bridges, guardrails and signs have been hit (Already implemented)
- A totally electronic bidding system (Effective early 2007)

Using Alternative Project Delivery

With the help of our industry partners we're looking at new ways to deliver projects. The team is working on the details to:

- Involve contractors and consultants in the scoping process by participating in project core teams
- Streamline the environmental process by structuring upfront contracts and/or splitting out preliminary activities
- Improve the internal MoDOT environmental permit process through a variety of activities



Return Service Requested



Using Alternative Project Delivery (cont.)

- Relocate utilities prior to acquiring the property deed
- Assist small independent or small city-owned utilities with engineering relocation plans
 - Use incentive/disincentive costs on utility agreements, design utility corridors outside of the right of way and partner to coordinate earlier in the process. *
- * Note this recommendation will be the subject of our next Partnering for Innovative Efficiencies in April.

- Market our image and benefits to potential and existing employees
- Encourage greater networking for engineers and pay fees for engineering-related professional organizations

Future Partnering Meetings

Partnering for Innovative Efficiencies has proven to be a big success. We are confident our partnering efforts will discover innovative solutions to our transportation challenges, find ways to do things better, faster and cheaper, improve transportation in Missouri, and provide a world-class transportation experience that delights our customers and promotes a prosperous Missouri.

The next meeting in April will focus specifically on utility relocation. Invitations will be going out soon to our utility partners.

For additional information about Partnering for Innovative Efficiencies, please contact Margie Bramon at 573-526-5508 or Margaret.Bramon@modot.mo.gov

Director Rahn touted the success of Partnering for Innovative Efficiencies in his 2006 State of Transportation Address to the state legislature. To read the transcript or view a video, visit our website at www.modot.org

Recruiting and Retaining Qualified Staff

By teaming up with our partners, many short-term and long-term actions and strategy recommendations were developed to attract and retain qualified MoDOT employees, especially in critical decision-making positions and without guaranteed yearly pay raises. Here are a few of the many ideas being considered:

- Increase pay for entry-level Civil Engineers to have a competitive initial pay and address compression issues
- Develop an incentive pay program for employees